

Task Force A Meeting Summary

Tuesday, November 8, 2005

Task Force Participants: Mitch Irwin – MI Department of Agriculture (chair), Jim Byrum – Michigan Agribusiness Association, Bob Craig – MI Department of Agriculture, Michael DiRamio – Food System Economic Partnership, Mike Hamm – Michigan State University, Mattie Jordan-Woods – Northside Association for Community Development, Bill Knudson – Product Center for Agriculture and Natural Resources (MSU), Art Loeffler – Star of the West, Joann Merrick – MI Department of Environmental Quality, Ron Moffett – MI Economic Development Corporation, Terry Morrison – Michigan Food Processors Association, Dan Reeves – Associated Food Dealers of Michigan, Dennis Sykes – MI Department of Labor and Economic Growth, and Irma Zuckerberg – MI Department of Labor and Economic Growth.

Additional Participants: Jason Church – USDA Rural Development Agency, Kathy Fedder – MI Department of Agriculture, Kelly Losey – USDA Farm Service Agency, Dave Russ – USDA Farm Service Agency, and Bruce Weir – USDA Farm Service Agency.

The third Task Force A: Expanding Food-Related Businesses and Jobs meeting convened Tuesday, November 8, 2005 from 1:00 – 3:00pm at Constitution Hall in Lansing. MDA Director and Council Chairperson Mitch Irwin chaired the meeting.

USDA Services and Programs: Bruce Weir, Kelly Losey and Dave Russ from the USDA Farm Service Agency's (FSA) Michigan State Office enumerated the FSA programs available to farmers, which include commodity program payments, conservation investments, disaster assistance, farm loans and outreach programs. The FSA does not have any programs for urban growers, but they do outreach to minority farmers to increase awareness of FSA programs. FSA only lends in areas with a population $\leq 10,000$.

Task Force participants discussed the current status of ethanol production in Michigan. There are five ethanol plants and already significant competition for corn. Prospective additional ethanol plants have been redirected out of state because of the shortage of corn. There is not enough land available to simply increase corn production; land would have to come out of other uses to plant more corn.

Jason Church from the USDA Rural Development Agency's (RDA) Michigan State Office presented a number of the RDA's programs and activities in Michigan. RDA can finance any projects other than agricultural production (FSA does this), golf courses and gambling operations. RDA has a number of grant and loan programs that address topics including housing, business and industry, economic development, community

development, renewable energy and energy efficiency, and value-added producer initiatives. RDA generally only lends in areas with a population $\leq 50,000$. In urban areas with a population $> 50,000$, RDA can finance cooperatively-owned value-added efforts. An addition, RDA can finance initiatives located in urban areas if the initiative benefits or services a rural area.

The Task Force decided that a potential recommendation is encouraging collaboration between the State Offices of these USDA agencies and the US Small Business Administration and/or the US Department of Housing and Urban Development as a means to increase opportunities and assistance for urban growers.

MSU Product Center Resources: Bill Knudson presented recently completed research by Michigan State University's Product Center for Agriculture and Natural Resources. The research analyzed six agri-food sectors (dairy, fruit, vegetables, major field crops, specialty crops, and nursery/greenhouse) and developed detailed descriptions of business and product development opportunities in each sector. The fact sheets are posted online as a resource for growers, processors and distributors looking for new growth opportunities.

A Task Force member pointed out that what entrepreneurs need more than anything else is funding for new ventures, and there is simply a shortage of that funding from all levels of government at the present time. An additional problem is the lack of an "entrepreneurial culture" in Michigan. DLEG and MEDC are already working together to increase opportunities and resources for entrepreneurs in Michigan.

A possible recommendation is for MFPC to encourage the creation of a network of service providers and resources for entrepreneurs, or specifically to link agricultural entrepreneurs into existing business/entrepreneur networks and partnerships that have not traditionally been utilized by the food system community.

Review of Proposed Recommendations: Director Irwin led a review of proposed recommendations that were submitted by Task Force participants after the September meeting. MFPC staff incorporated the comments from the meeting and organized the proposed recommendations under the following policy headings:

- Improve the Effectiveness of the Agriculture Processing Renaissance Zones (APRZs) Program.
- Pursue Collaborative Opportunities for Innovative Agri-food Economic Development.
- Develop and Implement a Comprehensive Economic Development Strategy for the Agri-Food Industry.
- Strengthen Support for Food Processing Businesses.

The complete listing of revised recommendations are in the "Proposed Recommendations for December 2005" document. Task Force participants will review the changes via email to decide which recommendations are ready for Council consideration and which ones need further consideration in future Task Force A meetings.